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THE INTERIM

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**The Monthly Report
of Legislative
Activity**



A Publication of **AUG 8 1989**

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HELENA, MONTANA 59620

AUGUST 1989

HELENA, MONTANA

Vol. VII No. 2

HB 28 PROVISIONS SUMMARIZED

Supplement Explains Details of School Funding Law...Stapled into the centerfold as a supplement to this issue of The Interim is a summary of the provisions in House Bill 28 as approved by the House and Senate and sent to the Governor for his action.

House Bill 28, the 214-page school funding reform package commonly titled "What I Did with My Summer Vacation", was delivered to Governor Stephens on July 21. The Governor has until Aug. 14 to act on the bill or to let it become law on Aug. 15 without his signature.

The Supreme Court on July 17 granted the appellants -- the State, the Board of Public Education, the State Superintendent of Public Instruction, and intervenors -- until Aug. 7 to file petitions for rehearing, clarification, or modification of the Court's Jan. 13, 1989 opinion. The respondents -- the plaintiff school districts -- were given until Aug. 24 to file their responses to any such petitions, and to show cause why the Court's decision should not become final.

THE INTERIM HAS NEW APPEARANCE

Pocket Size Allows Convenient Handling, Readability...This is the second issue of The Interim that has appeared in the new, compact half-letterhead page size. Utilization of the Helvetica type face is intended to improve the appearance of the monthly legislative news bulletin, to enhance its readability, and to better achieve its aim of



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THE INTERIM

August 1989

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providing legislators and other interested citizens with a more useful and more convenient digest of the activities within the legislative agencies and committees when the full body is not in session. The staff hopes that the modern type face and the new format are pleasing to the readers. Your comments are invited and will be welcomed.

FIVE-STATE LEGISLATIVE CONFERENCE

Meeting Planned Sept. 17-19 in Helena...The Five-State Legislative Conference will be held in Helena Sept. 17 through 19 in conjunction with a conference on higher education and rural development sponsored by WICHE. Rep. Ray Peck is Five-State Conference chairman, and Sen. Swede Hammond is vice-chairman. Rep. Jan Brown heads the host state committee activities of the Legislative Council.

The WICHE portion of the conference will be Monday, Sept. 18, while the Five-State Conference itself will be held Tuesday, Sept. 19. The Five-State portion of the conference will focus on development of a vision of life on the great plains of the Dakotas, Nebraska, Wyoming, and Montana in the next century. The steering committee directed that activities be planned to allow maximum participation by legislators attending. It should be an interesting and productive conference.

Budgeting for the conference will allow partial reimbursement of expenses for up to 50 Montana legislators. Legislators are routinely pleased with the results of the Five-State Conference, so the Council hopes many will plan to attend. Fliers will be sent out later, but members interested in attending may want to reserve the dates. Those interested in the Conference may contact the Legislative Council.

ENVIRONMENTAL QUALITY COUNCIL

Groundwater Quality, Solid Waste on Agenda...The Environmental Quality Council will meet Aug. 25 in Helena to review and approve detailed plans of study on groundwater quality protection and management and solid waste management as mandated by SJR 22 and SJR 19. The agenda will include a presentation on the results

of a questionnaire the EQC sent to federal, state, and local government agencies, conservation districts, irrigation districts, and private sector organizations to gather opinions about the importance of groundwater quality, the major sources of potential groundwater contaminants, and the adequacy of the state's current approach to protecting groundwater. The EQC will hear reports on the implementation of the agricultural chemical groundwater protection and leaking petroleum tank cleanup programs. A summary of current state and local solid waste management programs will also be presented.

The EQC will review hazardous waste management and disposal issues and discuss Council involvement in these issues for the remainder of the biennium. Other topics of discussion will include the Clark Fork Project, the Department of Agriculture's draft EIS on grasshopper control, the Department of State Lands' recent meeting on forestry best management practices, and the Board of Oil and Gas Conservation's progress reports on the oil and gas programmatic EIS. The meeting will begin at 9 a.m. in Room 104 of the Capitol.

WATER POLICY COMMITTEE

Study Topics Chosen...The Water Policy Committee met in May to select topics for study this interim. The committee will continue to monitor events concerning the State Water Plan, water development, water research, and water data management and will conduct a separate study on state-federal water relations. This study will be undertaken principally during the first year of the interim and will focus on three areas: water development, water rights adjudication, and hydropower licensing.

The committee will also address and report to the Legislature on efforts of the state executive agencies in implementing House Bill 707 (Chapter 658, Laws of 1989), the water leasing legislation. As required by this law, the committee will evaluate an executive agency report, as adopted by the Fish and Game Commission and the Board of Natural Resources and Conservation, and submit a final report to the 52nd Legislature by Dec. 1, 1990. Because of the time required for the agencies to begin implementing the law, the committee will concentrate its own efforts in this area during the last half of 1990.

Tentative Meeting Date Sept. 8...The next committee meeting is tentatively scheduled for Friday, September 8. The meeting will focus on initiating the study of state-federal water relations while also hearing progress reports on water leasing and state water plan activity.

ADMINISTRATIVE CODE COMMITTEE

Officers Chosen...The Administrative Code Committee met June 19 and unanimously elected Rep. Dorothy Cody chairman and Sen. Gene Thayer vice chairman. Other committee members are Sens. Bob Williams, Eleanor Vaughn, and Loren Jenkins, and Reps. Budd Gould, Mary Lou Peterson, and Carolyn Squires.

Gifted and Talented Program Reconsideration Asked...The chairman and executive director of the Board of Public Education defended the board's rule mandating a gifted and talented children program in each school district. They also presented a fiscal analysis of the board's new school accreditation standards.

On a motion by the vice chairman the committee unanimously voted to request the board to reconsider its adoption as part of the new set of school accreditation standards of the rule mandating a gifted and talented children program in each school district. The legislature has enacted a law leaving it to the discretion of each school district whether to have such a program, and an administrative rule that conflicts with a statute is invalid. The board's arguments in favor of the rule, including the argument that the statutes conflict and some statutes appear to mandate a program, were rejected, as they have been by the committee since 1985 when the board began its attempt to mandate a program. The board was told that since the board believes that the constitutional provision (Mont. Const., Art. X, sec. (3)(a)) giving the board authority to "exercise general supervision over the public school system" allows the board to adopt rules in complete disregard of the statutes passed by the legislature and even in conflict with the statutes, the board should cite that provision of the constitution, and only that provision, for the rule mandating gifted and talented children programs.

Rule Oversight...The chairman and committee members also

addressed the responsibilities of the committee. The chairman stated that she wants the committee to take a more active role in administrative rule oversight.

SELECT COMMITTEE ON INDIAN AFFAIRS

Sept. 29 Chosen for Meeting...The Committee on Indian Affairs met with staff on June 19 to begin organizing for the interim and scheduled its next meeting for Friday, Sept. 29, in Helena. Tentative agenda items for the meeting include:

- election of officers;
- status reports on the activities of the Reserved Water Rights Compact Commission, Indian child welfare matters, Minorities in Montana Education Project, and public hearings on the proposed hunting and fishing agreement between the state and the Confederated Salish and Kootenai Tribes;
- an overview of tribal government and court structure in Montana;
- a review of pending litigation involving the tribes and the state;
- a review of activities of past Committees on Indian Affairs; and
- selection of study topics.

MONTANA-WESTERN CANADIAN PROVINCES BOUNDARY ADVISORY COMMITTEE

Members Attend Alberta Conference...Five members of the Montana-Western Canadian Provinces Boundary Advisory Committee were guests at the 29th Regional Conference of the Commonwealth Parliamentary Association in Calgary and Edmonton, Alta., July 12-17. All Canadian provinces participated in the conference chaired by the Hon. Dr. David Carter, speaker of the Alberta Legislative Assembly, but the Montanans were the only United States invitees. Montana committee members attending were Representatives Harriet Hayne and Mary Ellen Connelly; Karen Barclay, director of the Department of Natural Resources and Conservation; Mike Letson, director of the Department of Commerce; Everett Snortland, director of the Department of Agriculture; and Robert Ellerd, the Governor's designated representative. Seminar topics included:

- Oil and gas industry--Energy Self-sufficiency in Canada, Myth or Reality

- National park policy--Balance Between Development and Preservation
- Substance abuse--A Challenge to Government in the 1990s
- Water management--Developing the Resource
- Special waste management--The Role of Government
- Viability of Energy Megaprojects

Autumn Meeting Planned...A formal meeting of the Montana committee members with Canadian groups in Alberta is tentatively scheduled for November with the date yet to be set.

TALLY OF BILLS IN 1989 REGULAR SESSION

Introductions total 1,358; Enactments 796; Vetoes 14...During the 1989 regular session of the 51st Legislature, which opened Jan. 1, 1989, and ended April 21, 1989, passed were 796 out of 1,358 bills and resolutions introduced:

	INTRO.	PASS.	VETO
<u>SENATE</u>			
Bills	474	269	2
Joint Resolutions	24	21	
Resolutions	15	15	
TOTALS	513	305	2
<u>HOUSE</u>			
Bills	794	455	12
Joint Resolutions	49	34	
Resolutions	2	2	
TOTALS	845	491	12

WESTERN STATES LEGISLATIVE FORESTRY TASK FORCE

Task Force to Meet in Alaska...The Western States Legislative Forestry Task Force will meet Aug. 4, 5, and 6 in Ketchikan and Wrangell, Alaska. The U. S. Forest Service and the Alaska Logging Association will conduct tours of sawmills and logging operations with particular attention to utilization of old growth timber. The agenda will also feature a discussion of native cultures in the area and the impact of logging on the Indian people. Sen. Elmer Severson will represent Montana at the meeting.

COAL TAX OVERSIGHT SUBCOMMITTEE

Senator Anderson Is Chairman...The Coal Tax Oversight Subcommittee met June 20 to organize and plan its activities during the 1989-90 interim. Sen. John Anderson, who is beginning his third interim on the Subcommittee, was elected chairman, and Representative Dave Brown, also a member during the 1987-88 interim, was named vice chairman. Other members are Sen. Dick Manning and Rep. Marian Hanson.

In other actions, the Subcommittee:

- adopted a tentative schedule of eight meetings during the interim including a field trip to the Colstrip-Decker area in June, 1990; and
- approved drafting of a letter from the Subcommittee to the Governor urging continued monitoring of federal legislation on acid rain, clean coal technology, and abandoned mines land fees to protect Montana's interests.

Sept. 25 Chosen for Next Meeting...The next meeting of the Subcommittee was set for Monday, Sept. 25, in Room 104 of the State Capitol.

REVENUE OVERSIGHT COMMITTEE

Next Meeting scheduled for Sept. 8...The members of the

Revenue Oversight Committee have selected Friday, Sept. 8, as the date for their first meeting after the special session. The meeting will begin at 9 a.m. in Room 104 of the Capitol. The agenda will be announced later.

MEMBERSHIP OF INTERIM COMMITTEES

Legislative Council...Rep. Ralph Eudaily, chairman; Sen. Paul Boylan, vice chairman; Reps. Red Menahan, Jan Brown, and John Mercer; Sens. Gary Aklestad, Del Gage, J. D. Lynch.

Administrative Code Committee...Rep. Dorothy Cody, chairman; Sen. Gene Thayer, vice chairman; Reps. Carolyn Squires, R. Budd Gould, Mary Lou Peterson; Sens. Loren Jenkins, Eleanor Vaughn, and Bob Williams.

Coal Tax Oversight Subcommittee...Sen. John Anderson, chairman; Rep. Dave Brown, vice chairman; Rep. Marian Hanson, Sen. Richard Manning.

Indian Affairs Committee...Sen. Del Gage, Sen. Paul Rapp-Svrcek, Rep. Bob Gervais, Rep. Clyde Smith.

Revenue Oversight Committee...Sen. Bill Norman, chairman; Rep. Susan Good, vice chairman; Sens. Bob Brown, Bruce Crippen, Dorothy Eck, Thomas Hager, Joe Mazurek; Reps. Dan Harrington, Robert E. Hoffman, John Patterson, Bob Ream, Ted Schye.

Legislative Finance Committee...Sens. Matt Himsl, Pat Regan, Larry Tveit, Fred Van Valkenburg, Judy Jacobson; Reps. Ray Peck, Francis Bardonoue, Dennis Iverson, Bob Thoft, Dorothy Bradley, Tom Nelson.

Environmental Quality Council...Sens. Cecil Weeding, Bill Yellowtail, John Harp, Tom Beck; Reps. Jerry Driscoll, Bob Raney, Bob Gilbert, and Ed Grady, public members Everett Shuey, Tom France, Tom Roy, and Doug Crandall, and the governor's representative, Art Wittich.

Water Policy Committee...Sen. Jack Galt, chairman; Sens. Esther Bengtson, Larry Stimatz, and Pete Story; Reps. Hal Harper, Vernon

A SUMMARY OF
SCHOOL FUNDING EQUALIZATION PROPOSALS:

RESULTS OF JUNE 19, 1989 SPECIAL SESSION

Prepared

by

Andrea Merrill, Staff Researcher, Legislative Council

REVISED JULY 18, 1989

GLOSSARY OF ABBREVIATIONS USED IN CHART

- ANB -- average number belonging
- Bldg./debt -- district debt service, building fund, building reserve
- CY -- calendar year for tax purposes
- Elem. -- elementary schools
- FP -- Foundation Program
- FY -- school fiscal year (i.e., FY 91 = school fiscal year beginning July 1, 1990)
- GAAP -- Generally accepted accounting principles
- GF -- school district general fund for operation and maintenance
- G.T.B. -- guaranteed tax base
- H.S. -- high schools
- I.T. -- income tax
- M -- million
- PERS - Public Employees' Retirement System
- SS -- Social Security
- Spec. ed. -- special education
- TRS -- Teachers' Retirement System
- UI -- unemployment insurance
- \$ -- revenue

CURRENT

SB 26, NATHE
MAZUREK
3RD READING
(VETOED)

HB 28, SCHYE
REFERENCE BILL,
AMENDED

- | | | |
|--|---|--|
| 1. <u>Mandatory county retirement levy for TRS, PERS, SS, UI; using lottery for equalization (25-mill ave.; disparity range = 4 - 56 mills).</u> | Retirement equalization phased in beginning FY 92, fully equalized by FY 94. County retirement levy eliminated July 1, '93. Retirement to be funded outside the FP, reimburse actual costs to the districts, except certain discretionary costs. Spec. ed. retirement not allowable cost for spec. ed. reimbursement. | No change from current law except mill value guaranteed for levy in low wealth counties (GTB). Spec. ed. retirement funded from retirement levy. Lottery diverted to state equalization aid. Disparity range reduced to 4 - 33 mills. |
| 2. <u>Allowable district levy for comprehensive insurance (5-mill ave.).</u> | Eliminate levy. Insurance in GF & FP at 100% of '88 cost less PL 874 support. Effective FY 91. | Eliminate levy. Insurance in GF. |
| 3. <u>FP schedule funding not based on actual costs of operating school. & increases by legislature (1% since FY 86).</u> | FP schedules for FY 91 based on 100% of '88 GF & insurance expenditures, less spec. ed. and PL 874 support. FY 90 increase not in base. | FP schedule increased by & shown in §11. Total FP provides 82.5% of '88 GF & insurance. Additional equalization aid provided for retirement & GF costs not supported by FP (new permissive) by subsidizing mill value per ANB in low wealth districts up to statewide mill value per ANB (currently \$18.43 elem., & \$42.81 h.s.) |

CURRENT

SB 26, NATHE
MAZUREK
3RD READING
(VETOED)

HB 28, SCHYE
REFERENCE BILL,
AMENDED

4. Mandatory 45-mill levy, collected at county (28 mills elem., 17 mills h.s.).

Collect 34 elem. & 21 H.S. mills at county, 45 mills at state for 100 mills total. Effective FY 91.

Collect 33 elem. mills & 22 mills at county. Collect 40 state mills. Effective FY 91.

5. Permissive levies for elem. (6 mills) & H.S. (4 mills) to fund 20% of schedules.

Eliminate permissive levies. Effective FY 91.

Replace current permissive levy with overschedule permissive levy funded by GTB up to 35% of FP amount (for total FP and permissive funding equal to 112% of FY 88 district GF & insurance expenditures). Must add nontax revenues (flat taxes, motor vehicle, etc.) to calculate state & district taxable valuation.

6. No statutory expenditure limitations (except for I-105).

Maximum GF budget limited to 121% of FP (schedule amount plus spec. ed.). Districts with FY 88 GF & insurance over 121% of FY 91 FP are frozen. PL 874 exempt from cap.

Maximum GF budget limited to greater of 104% of previous year's GF or 135% of FP amount (schedules plus spec. ed.). PL 874 \$ excluded from cap. Exempt from I-105.

CURRENT

SB 26, NATHE
MAZUREK
3RD READING
(VETOED)

HB 28, SCHYE
REFERENCE BILL,
AMENDED

- | | | |
|---|--|---|
| 7. <u>State revenue sources earmarked for state equalization aid.</u> | I.T. surtax continued (for equalization - no sunset), lottery to state equalization aid; coal tax proceeds diverted from ed. trust & parks effective FY 90, 91; increased allocation of \$4.4M personal I.T. and 45-mill state levy - effective FY 91. | Current sources plus 40-mill state levy, lottery (effective CY 90). Coal tax proceeds diverted from ed. trust & trust abolished (effective FY 91). 5% income surtax, increased income tax allocation to state equalization (effective CY 90). 5% corporation income & license surtax (effective CY 90). |
| 8. <u>County equalization revenues received from basic levies, federal forest funds, Taylor Grazing, motor vehicle, misc.</u> | No change from current law except state equalization aid to offset tax delinquencies. | No change from current law except state equalization aid to offset tax delinquencies. |
| 9. <u>PL 874 not counted as resource for equalization.</u> | PL 874 excluded from GF budget cap & from cash reserve limit until equalization allowed - study. | PL 874 excluded from GF budget cap & from cash reserve limit until equalization allowed - study. |
| 10. <u>General fund reserve limit of 35%; no penalty for exceeding limit.</u> | Reserve limited to: 35% if no state aid; 30% if aid 1/4 or less of FP; 20% if aid over 1/4 of FP; exemptions for PL 874, consolidation bonus, protested tax payments, & minimum \$10,000. | Reserve limited to: 35% if no state aid; 30% if aid 1/4 or less of FP; 20% if aid over 1/4 of FP; exemptions for PL 874, consolidation bonus, protested tax payments, & minimum \$10,000. |

CURRENT

SB 26, NATHE
MAZUREK
3RD READING
(VETOED)

HB 28, SCHYE
REFERENCE BILL,
AMENDED

- | | | |
|---|---|--|
| 11. <u>FP structure & schedules based on school size.</u> | No change in structure - no extra increase for some categories.
Increased in FY 91 by 45.84% for elem; 55.66% for h.s. | No change in structure except 8.7% extra for elem. over 300 ANB.
Increased in FY 91 by 17.30% for elem.; 25.21 for h.s. |
| 12. <u>Minimum 180 day school year with no maximum; no limit on days creates dis-equity in FP payments.</u> | Funding for only 180 PI days, plus 7 PIR. No limit on calendar days. | Funding for only 180 PI days, plus 7 PIR. No limit on calendar days. |
| 13. <u>Current state equalization aid payment schedule is 5 times per year.</u> | 20% state equalization aid in July, then 7% monthly. | 20% state equalization aid in July, then 7% monthly. Includes both FP payment & GTB. |
| 14. <u>Building/debt service not equalized.</u> | Interim study of needs & methods of equalization. | Interim study of needs & methods of equalization. |
| 15. <u>Transportation program separate.</u> | No change in transp. No additional equalized funding this biennium. Study. | No change in transp. No additional equalized funding this biennium. Study. |
| 16. <u>Special ed. part of GF and FP; actual costs not fully funded; separate accounting and OPI oversight.</u> | Spec. ed. retirement not allowable cost for spec. ed. reimbursement. | Spec. ed. retirement not allowable cost for spec. ed. reimbursement. |

CURRENT

SB 26, NATHE
MAZUREK
3RD READING
(VETOED)

HB 28, SCHYE
REFERENCE BILL,
AMENDED

17. Additional
components.

Legislative oversight committee for studies & implementation (\$20,000); OPI adopt rules for GAAP accounting--training funds in bill. Increase bonus payments to enlarged districts. Telecommunications funding. Implementation funds for OPI. Flat tax for coal. Local government severance tax replaces net proceeds tax on oil & gas. Statutory appropriation of all revenue earmarked for equalization.

Legislative oversight committee for studies & implementation (\$20,000); OPI adopt rules for GAAP accounting--training funds in bill. Increase bonus payments to enlarged districts for FY 90. Telecommunications funding. Implementation funds for OPI. Flat tax for coal. Local government severance tax replaces net proceeds tax on oil & gas. All distributed on basis of FY 89 mill levies. Statutory appropriation of all revenue earmarked for equalization.

18. Phase-in.

New plan effective for FY 91. Study effective July 1, 1989. OPI rules prior to FY 91.

New plan effective for FY 91. Study effective July 1, 1989. OPI rules prior to FY 91.

Westlake, Roger Knapp, and Tom Zook.

Legislative Audit Committee...Sens. Tom Keating, Tom Rasmussen, Mike Walker, Greg Jergeson; Reps. Bob Pavlovich, Mike Kadas, John Cobb, and Bruce Simon.

Lottery Liaison Committee...Sens. Hubert Abrams and Ethel Harding, Reps. Linda Nelson and Norm Wallin.

Western States Legislative Forestry Task Force...Sens. Elmer Severson and Mike Halligan; Reps. Bernie Swift and Ben Cohen.

Montana-Western Canadian Provinces Boundary Advisory Committee...Reps. Mary Ellen Connelly and Harriet Hayne, Sens. H. W. (Swede) Hammond and Richard Manning. Executive branch members are Governor Stephens or his designee-chairman; Everett Snortland, director, Department of Agriculture; Karen Barclay, director, Department of Natural Resources and Conservation; Mike Letson, director, Department of Commerce; Les Graham, executive secretary, Board of Livestock.

Energy Policy Committee...Rep. Stella Jean Hansen.

Committee on Employee Compensation...Sen. Gerry Devlin, Rep. Vicki Cocchiarella.

Districting and Apportionment Commission...Frank Haswell, Helena, chairman; Jim Pasma, Havre; Jack Rehberg, Billings; Jack Pinsoneault, Missoula; Selden Frisbee, Cut Bank.

LEGISLATIVE COUNCIL

Interim Studies Update...With the conclusion of the special session, initiation of interim committees is the next activity. Study responsibilities of the Legislative Council and Council staff include:

From the Regular Session

SJR 23: Adult and Youth Detention Services study is to address the current status of municipal and county adult and youth detention services; future needs for the services; the role of the

state in planning, financing, and administering the services; exploring federal mandates on the delivery of the services, and identifying funding options and revenue sources for providing the services.

SJR 21: Revenue Oversight Committee study of the effectiveness of business tax incentives is to address, in general terms, the relationship of "business climate" indicators and state taxes; list and describe business tax incentives available in Montana; identify the targets of the incentives; determine the effectiveness of the incentives in promoting economic development; and identify and evaluate business tax incentives used in other states.

House Bill No. 786: Study on State Employee Compensation is to address policies governing state employee compensation generally and compensation policies of other comparable governmental and private sector entities; review professional literature and research on compensation issues; analyze and assess various components of the Montana state employee compensation system; identify problems with the system and possible options for resolving the problems; and develop recommendations to maximize employee productivity and promote quality services with available funding.

From the Special Session

Senate Bill No. 16: School Accountability Study is to address measures for assuring accountability and quality in public school programs, the advisability of requiring school districts to prepare a variety of statistical reports on school performance and administration, incentive pay for school teachers, establishing a specialized instructor certification program, and defining a basic system of free quality public elementary and secondary schools, including the state's responsibility to fund the system.

House Bill No. 62: Workers' Compensation Insurance Fund Study is to address problems affecting the worker's compensation funds, the laws and policies governing worker's compensation, the costs, benefits, and operations of the state fund, including premium rates and classifications, the projected costs of operating the state fund and the reasons for the increasing unfunded liability, revenue requirements needed to operate the fund and eliminate the

unfunded liability, options for reducing costs and rates associated with the fund and for ensuring future solvency of the fund, and selling or abolishing the state fund.

House Bill No. 28:

(1) Study by the Legislative Oversight Committee on School Funding Implementation, created in the bill, an 11-member committee, consisting of eight legislators, the Superintendent of Public Instruction (or designee), a member of the Board of Public Education, and the Governor (or designee). Questions to be addressed focus on fundamental education policy and on fiscal issues. The bill allows the study committee to request staff assistance from the Legislative Council, OPI, the Governor's Office of Budget and Program Planning, the Board of Public Education, the Legislative Fiscal Analyst, and the Legislative Auditor. The \$20,000 appropriation in the bill for the study is made to the Legislative Council.

(2) Revenue Oversight Committee study of the advisability of expanding the guaranteed tax base concept for funding education to include costs for transportation, capital expenditures, comprehensive insurance, retirement, and general fund obligations. This study was included in the bill prior to the adoption of the guaranteed tax base as an alternative to including the concept in the bill. Inclusion of the concept in the bill supports a significant narrowing of the scope of the study. The ROC is further directed to coordinate this study with the studies of the Legislative Oversight Committee on School Funding Implementation.

As of this writing, Governor Stephens had not acted on HB 28, which was transmitted to him on Friday, July 21, giving him until mid-August to sign or veto it before it automatically becomes law.

LIBRARY

New Librarian...Beth Furbush joined the Legislative Council staff last month as librarian succeeding Sally Halverson, who left to accept a position at the Michigan state library, and is learning the ropes as rapidly as possible. The library staff members are dealing with ongoing information requests, preparing to support interim study research, and checking committee minutes from the 1989 regular and

special sessions and coordinating their preservation on microfiche.

RESEARCH DIVISION

Research Reports.

- Summary of Activities of Past Legislative Indian Affairs Committees

Research Memoranda:

- A Descriptive Overview of a Gross Receipts Tax and a Value-Added Tax
- Property Tax Legislation by the 1989 Montana Legislature
- Special Session Rules and Rule Exceptions

LEGAL DIVISION

Legal Memoranda:

- Judicial Remedies Should Legislature Fail to Revise Current School Funding System
- Summary of Significant Legislation Heard in Senate Judiciary Committee in 1989 Regular Session
- Authority of Standing Committees During Special Session
- Determination of Size of Legislature
- Legislative Approval of Certain Construction Projects
- Definition of Term "Public Official" as Used in Montana Constitution

Initiative Proposals:

Pursuant to 13-27-202(2), MCA, copies of correspondence are available from the Secretary of State

- Constitutional Amendment to Limit Total Governmental Expenditures
- Constitutional Amendment to Require an Affirmative Vote of Qualified Electors to Enact or Increase Rate of General Sales Tax
- Increase Cigarette Tax for Smoking Education Programs and Tobacco-Related Disease Research
- Constitutional Amendment to Prohibit Compulsory Education



INTERIM CALENDAR

Aug. 4, 5, 6, Western States
Legislative Forestry Task Force,
Ketchikan and Wrangell, Alaska

Aug. 25, Environmental Quality
Council, Room 104, Capitol

Sept. 4, Holiday, Labor Day

Sept. 8, Revenue Oversight Committee, Room 104, Capitol

Sept. 8, Water Policy Committee (tentative)

Sept. 17-19, Five-State Legislative Conference, Helena

Sept. 25, Coal Tax Oversight Subcommittee, Room 104, Capitol.

Sept. 29, Indian Affairs Committee, Room 104, Capitol

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